

## **ABSTRACT**

A system for distribution tracking and tax assessment of distributed taxable products, such as cigarettes or liquor, is disclosed. The invention includes marking a product package, a product carton and a product case with an identifying indicia which may be laser coded onto the package. The identifying indicia is then tracked through a distribution chain for the product. Specific product location information is generated along the distribution chain as a result of the tracking process. The product location information may be made available to a taxing authority such that a tax assessment may be made on the product. A determination of the tax payable on the product based upon the product location information associated with the identifying indicia specific to the product may be made. In this manner, a specific product package, for example a cigarette pack, may be specifically identified through its distribution chain and appropriate tax assessed based upon the specific product's travel through the distribution process. The product location information may be obtained electronically throughout the distribution chain.